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UNITED STATES

ATOMIC ENERGY COMMISSION

WASHINGTON, D.C. 20545

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November 13, 1967

Honorable Anthony M. Solomon
Chairman
Economic Defense Advisory Committee
Department of State
Washington, D.C. 20520

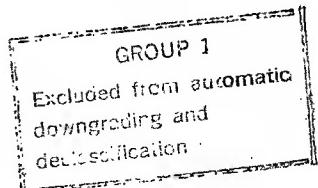
Dear Mr. Solomon:

I have been advised by my staff that a meeting of the Economic Defense Advisory Committee is proposed for November 15 to discuss COCOM list review preparations with specific reference to a China differential. In a recent meeting of Working Group I, a draft memorandum from the WG I Chairman to the Chairman, EDAC, dated November 7, 1967, was distributed setting forth, among other things, "issues already decided" and "issues for which EDAC decisions /are/ needed now."

In order to facilitate discussions at the planned EDAC meeting, I thought it would be useful for you and the other members of the Committee to have our views on the issues raised in this memorandum prior to the meeting, which would confirm the comments members of my staff made at the Working Group I session on November 2, 1967.

We do not favor a proposal which provides for two separate COCOM embargo lists--one for the Eastern European bloc and one for the Chinese bloc--for Atomic Energy List items as well as certain nuclear-related items on the International and Munitions Lists. In taking this position, we do not mean to convey the impression that we are any less concerned with the possible danger that the Chinese Communist nuclear weapons program poses to our national security interests. However, we must recognize the dangers in the proliferation of nuclear weapons capabilities throughout the world, not only in Communist China, but elsewhere in and outside of the Sino-Soviet bloc. In this regard, we have actively participated in our government's efforts to achieve agreement to a Non-Proliferation Treaty. Our position is based

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on the fact that what you are suggesting now in terms of China, i.e., strengthening embargo controls to preclude assistance to their nuclear weapons program, is something we have been doing continuously not only to China but to all nations of the bloc. Our present Atomic Energy Embargo List reflects those items, on which we have been able to secure agreement in COCOM, significantly useful in a military nuclear energy program. It does not include every commodity that could be used in such a program since consideration of proposing an addition to the list must take into account other factors, such as the degree of military importance of a commodity, availability in the bloc, difficulty in manufacture, etc. It has been our intent, however, to keep the AE embargo list technically meaningful and currently realistic to the purposes and aims of COCOM, U. S. policy, and the Atomic Energy Act of 1954, as amended. To this extent, we continuously review items on the AE list and other control lists and seek recommendations from our scientific personnel on what embargo control definitions should be added, deleted, or modified in order to effect control over those items particularly useful in a nuclear weapons development, production and testing program. As I am sure you are aware, we have in the past suggested strengthening proposals on the COCOM list, some of which have been adopted, and have also made or agreed to a number of liberalizing proposals.

To reiterate what we have said on a number of past occasions, our agreement to additions, deletions, modifications or exceptions to the COCOM embargo is based primarily on technical strategic considerations. As an example, our concurrence in any exception requests to the COCOM embargo is given only after we have made a technical judgment that the commodity or material to be exported can make little significant contribution if diverted to a strategic atomic energy use. Consistent judgments based on technical fact could not be made if we had two lists. It is totally unrealistic to assume that from a technical standpoint a commodity is not strategic when it is exported to the Eastern European bloc but becomes strategic when exported to Communist China. We also think it is unrealistic to assume that exports to the Eastern European bloc will not be re-exported to the Chinese bloc.

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It follows, therefore, that based upon our review procedures and internal criteria for adding and subtracting to the list, no nuclear energy or nuclear energy-related items could be placed on a separate list for more favorable export consideration to Eastern European bloc countries without, to some degree, violating the spirit and intent of COCOM and the security interests of the U. S. Conversely, no special China embargo list need be established insofar as atomic energy items and certain related items are concerned because we believe our present list provides adequate coverage except for the usual additions and modifications we would routinely wish to suggest based on current technical developments. We believe present COCOM procedures are adequate and the possible risks too great to push for two lists.

Although not identified as an EDAC agenda item, we believe our comments on the China differential list are equally applicable to the U. S. proposal on a new COCOM technology procedure. We have noted with keen interest the statements made by other COCOM member countries and their almost unanimous reaction that the U. S. proposal reflects a relaxation of COCOM control over technology. We share the Department of Commerce's concern that the U. S. proposal will not strengthen but actually weaken COCOM technology controls and should be withdrawn from COCOM consideration. Barring such action, we believe that technology pertaining to any items on the Atomic Energy COCOM Embargo List should not be included in any new COCOM technology procedures.

I have taken the liberty of sending copies of this letter to the other EDAC members and would be happy to elaborate further on these matters at the November 15 meeting.

Sincerely yours,

is a. s. Friedman
for Assistant General Manager for
International Activities

cc: William N. Morell, Jr., CIA